

Case Study #3

DIVERSIFYING AWAY FROM AMAZON

ANKER



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DISCLAIMER

This business case study has been independently researched and created for educational purposes only.

No Affiliation: I am not affiliated with Anker or any of its subsidiaries.

No Endorsement: This analysis is not endorsed, authorized, or sponsored by Anker in any way.

Educational Intent: The content is intended solely to provide insights into ecommerce strategies and trends and does not represent consulting, advice, or an official recommendation for Anker or any other organization.

Sources: All information presented here is based on publicly available data and independent research.

PURPOSE OF THIS BUSINESS CASE

The purpose of this business case is to provide a brief overview of Anker distribution strategy, highlighting key tactics, challenges, and opportunities that have shaped the brand's success, as well as ideas for improvement and optimization. This case aims to offer valuable, educational insights for businesses looking to improve their own digital retail strategies.

However, it's important to note that this analysis is based on publicly available data, as Anker internal information was not accessible. As such, the conclusions drawn here are speculative and should be considered as general observations rather than specific, data-driven advice. The purpose is educational, intended to inspire ideas and discussions around ecommerce innovation, not to represent Anker internal strategies.

— WHY ANKER?

I chose to write a business case on Anker for several reasons. First, the previous business case I wrote was about a brand that started with DTC and later expanded to Amazon. I wanted to discuss the opposite scenario: a brand that started on Amazon and expanded to other channels.

Second, I believe many brands today are facing the same problems Anker is facing today, and could learn a lot from how they were able to reduce risks involved with Amazon.

Finally, timing was key in this case. This story could not be replicated today, and I strongly believe brands should be wary of Amazon consultants who would tell them otherwise.

ABOUT THE COMPANY

Steven Yang left Silicon Valley in 2011 to found Anker Innovation after spotting a gap in the market. The market was flooded with low-quality chargers and power banks that often left consumers frustrated with slow charging speeds and unreliable performance. Yang returned to China with a vision to build a reliable brand in the growing mobile accessories market.



Anker was founded in Shenzhen, and initially focused on replacement laptop batteries. The company pivoted to smartphone charging accessories in 2012. The timing was right, the smartphone market kept growing but nobody was making high quality charging accessories. Anker's value proposition was simple: better quality, at a fair price, backed by trusted reviews.

The company's early growth was built almost entirely on Amazon. By 2015, Anker was the leading brand of mobile chargers on Amazon.com. From there, the company kept expanding, and was publicly listed on the Shenzhen ChiNext Market in 2020.

Today, Anker sells to over 100 million consumers across 146 countries, employs over 3,600 people with 50% in R&D, and holds more than 2,245 IP rights.

A key moment in Anker's history was not a product launch or a revenue milestone. In 2017, Steven Yang realized that power banks represented almost half of Anker's revenue, and worried the category would not last. Fast-charging technology and larger phone batteries were becoming increasingly popular, and he worried the market could disappear.

Yang concluded that building long-term success would involve building a diverse portfolio across multiple smaller categories rather than betting everything on one. That strategic pivot is, as we will see in this case study, what separates Anker from the thousands of Amazon-native brands that grew fast then stalled.

The most important piece of context in this story is that Anker launched on Amazon in 2011. This is when more and more 3P sellers started to join the marketplace. Anker arrived exactly when Amazon was becoming viable for independent brands, but before the competition became out of control.

That window lasted approximately three to four years. During this timeframe, selling on Amazon was like printing money, and I am barely exaggerating. It is now definitely closed.

Why 2011 was the perfect time.

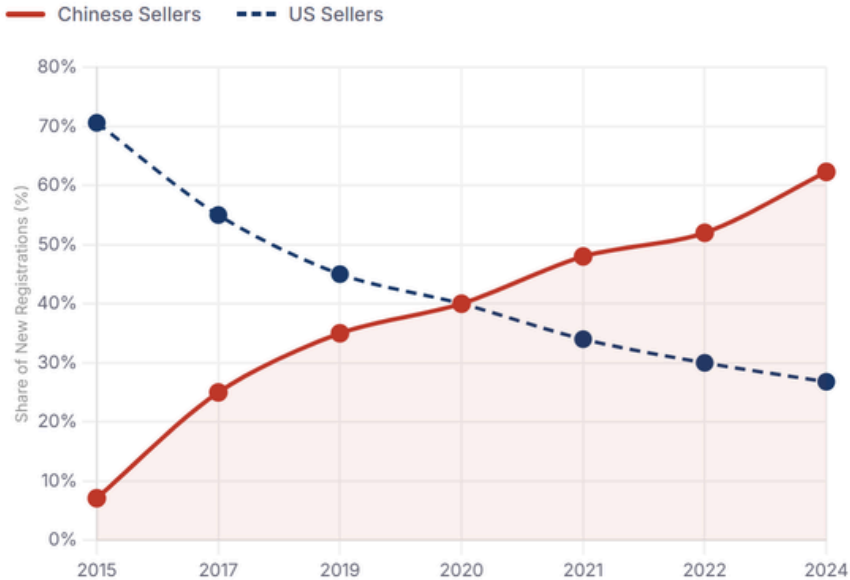
In 2011, Amazon was a fast-growing retailer that still did not feature millions of 3P sellers. 2011 saw the largest annual growth in Amazon's gross sales since 2000, at 40.6%, but it was still not terribly competitive. Organic ranking was largely earned through review velocity and product relevance. Paid advertising as a requirement for visibility like it is today barely existed. A brand with a genuinely better product and a solid review strategy could build category dominance without a marketing budget and the lowest prices.

That environment no longer exists. Today, Amazon hosts nearly 2 million active sellers globally, with hundreds of new sellers registering every day. The vast majority of them are competing in high-volume commodity categories that Anker is part of.

Chinese competition changed the game

In addition to the sheer number of sellers, another major change over the last couple of years. When Anker launched in 2011, the electronics accessories category on Amazon was dominated by overpriced, underperforming Western brands and poorly reviewed generic products. Anker filled the gap between them.

By 2016, the situation was completely different. The category became commoditized with hundreds of Chinese sellers. Anker's success on Amazon observed and replicated by thousands of Shenzhen manufacturers at scale, with lower cost structures and no brand-building overhead. By the time Anker needed to defend its position, it was competing against Chinese manufacturers selling directly to the US consumer.



Share of Chinese sellers vs US Sellers

Source : Marketplace Pulse (2024)

2017–2022 intermediate figures are estimates interpolated from published trend reporting.

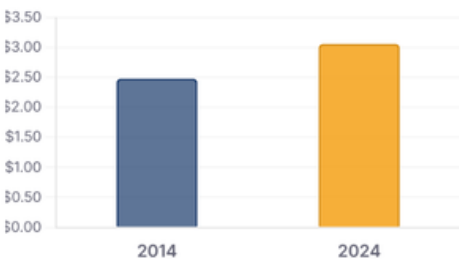
Economic units have drastically changed

FBA fees for standard size products have increased 96% since the program launched. Removal fees have increased 460%. Amazon has increased fulfillment fees by over 30% since 2020 alone.

In 2011, FBA was a genuinely attractive proposition, with low fees, a simple structure, and immediate Prime eligibility. Today, the fee structure became increasingly complex. A seller paying \$3.48 to ship a one-pound item in 2020 now pays \$5.06 for the same shipment during peak season, a 45% increase in five years.

Fulfillment Fee: Small Standard (8 oz)

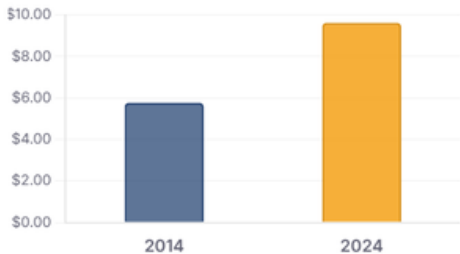
Cost per unit to pick, pack and ship. Non-peak rate.



+23.4% increase 2014 to 2024

Fulfillment Fee: Small Oversize (2 lb)

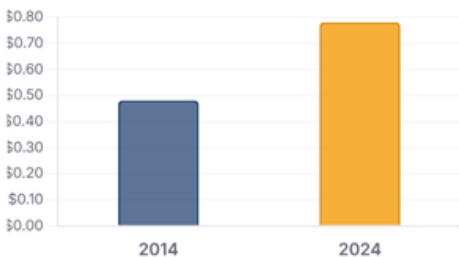
Cost per unit to pick, pack and ship. Non-peak rate.



+66.8% increase 2014 to 2024

Monthly Storage Fee (per ft3)

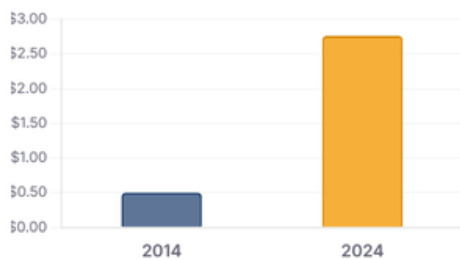
Non-peak rate (Jan to Sep). Standard size products.



+62.5% increase 2014 to 2024

Removal / Disposal Fee (per unit)

Standard size. Cost to remove unsold inventory from Amazon.



+452% increase 2014 to 2024

Let's also not forget the ever increasing cost of advertising. Amazon slowly became a pay-to-play platform, especially for newer brands, and CPC rose significantly since the early days.

The margin structure that allowed Anker to be priced competitively while maintaining profitability in 2011 would be a lot harder to replicate today. Every dollar of fee increase either compresses margin or forces a price increase, and price increases on Amazon can be especially difficult.

What this means for a brand launching today

The conclusion is blunt: a brand launching on Amazon in 2026 using Anker's 2011 strategy will not result in Anker's performance. The conditions that made that plan work no longer exist. Over 50% of Amazon sellers reported being less profitable in 2024 than the year before. That is due to structural pressure, not just temporary market conditions.

This does not mean Amazon is a bad channel today. It means Amazon in 2026 rewards a different kind of brand, value proposition and strategy. Differentiation, a powerful content engine, and barriers to entry matter a lot more today.

Anker earned its position when the door was open in their space. The brands that succeed on Amazon today are the ones that find the doors still worth opening. These doors are getting more and more difficult to find these days, but still exist.

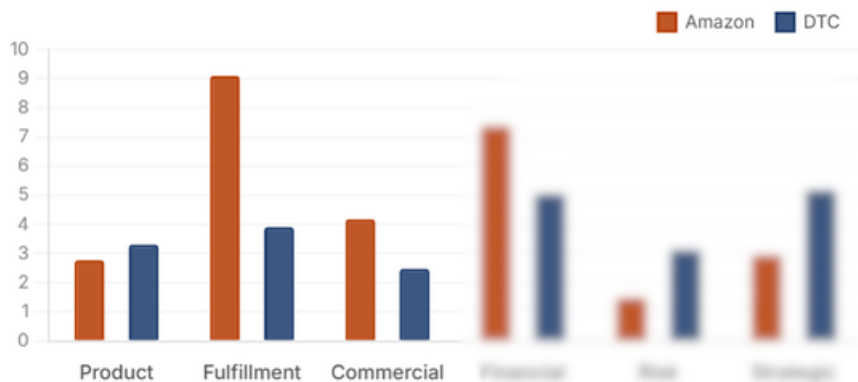
Anker's early channel choice through the lens of my Channel Alignment & Strategy Model

My Channel Alignment and Strategy Model scores Anker's electronics accessories profile at 27.82 for Amazon versus 23.02 for DTC at the Starting stage, a meaningful gap that shows the structural reality of the category, not just a marginal preference.

The category breakdown makes the case clearly. Amazon wins in most categories, and I believe it was the right choice for a brand launching in that space in 2011.

Channel Fit by Category: All 6 Categories

STARTING STAGE. AMAZON LEADS IN 3 OF 6 CATEGORIES. FULFILLMENT LEAD IS DECISIVE.



THE STRUCTURAL TRAP

Anker's success on Amazon created its own problem. Their strategy worked: quality product, competitive price, disciplined review accumulation. However, it was accessible to every manufacturer or middleman with an Amazon seller account. The barrier to replication was very low: No patent protected a USB cable.

And it is more than just technical barriers to entry. There was no brand story, no clear identity, no subscription model to keep customers loyal. At the time, a factory in Shenzhen could list a competing product overnight, price it lower, and wait for the rankings to climb.

This is the structural trap that most Amazon-native brand eventually faces. The channel that made growth easy makes defense against competitors difficult. Amazon's search environment rewards the lowest viable price, at the highest sales velocity and review count. This environment works well for manufacturers with lower cost structures, and encourages price wars to gain market share.

Anker had built its position on being the best product at a fair price. When dozens of competitors arrived offering a similar product at a lower price, the differentiation that had driven the early years started to weaken.

The deeper problem was what Anker did not have. No 1P customer data as Amazon owns the relationship and shares very little with brands. No direct communication channel to existing buyers. No brand equity clear and distinct enough to make a customer seek out Anker specifically rather than search the category and buy whatever ranked first.

Revenue was real and growing, but the business model was more fragile than what numbers suggested. Amazon could change its algorithm, increase its fees, or launch a competing private label product at any moment, and Anker had no backup plan. The reasons why Amazon was the right choice in 2011 was probably the greatest strategic risk for the company. Anker built a large business on a platform they did not control, selling products anyone could copy, to customers they did not own.

HOW ANKER ADDRESSED THE ISSUE

Anker's response to this structural trap was not one single strategic pivot, but more of a long-term strategy executed over several years. Each part of this strategy focuses on a specific vulnerability, while building something that competitors could not copy immediately .

Building a Recognized Brand Name

The first part was maybe the most important, and the most challenging. Anker's products could be seen as rather undifferentiated. That perception was a weakness, as a brand known only for no-name commodities would always be one competitive listing away from being irrelevant.

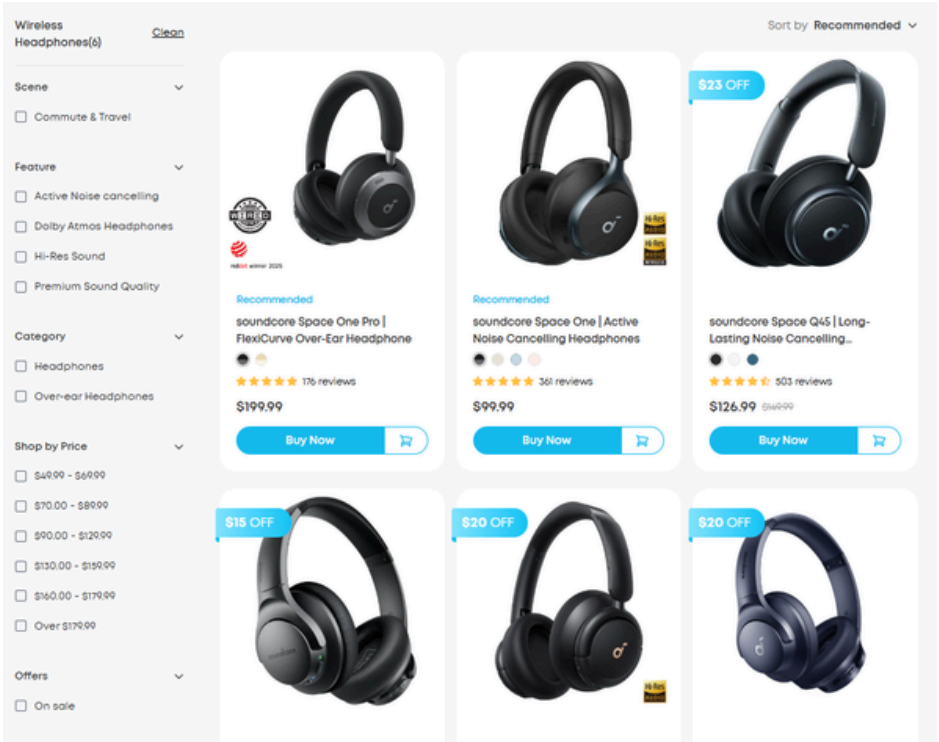
But marketing was not enough, the brand needed to achieve it through its products. Anker was a leader in GaN technology, and added it into its charging devices. The result was smaller, lighter, and more efficient chargers compared to competitors.

Over time, consistent investment in R&D built a more trustworthy image than what a company could build through Amazon reviews alone.

Creating Sub-Brands

Anker made the choice to create several sub-brands, rather than extend their core brand to adjacent products. For example, they created sub-brands like Eufy for smart home products, Soundcore for audio equipment, and Nebula for projectors.

Each brand maintained Anker's value proposition of quality and value while allowing entry into new markets without diluting the main brand identity. Soundcore was established in 2018 and gained recognition through releases such as the Liberty Air 2 Pro earbuds with active noise cancellation, competing directly with Sony and Bose at a fraction of the price. I personally bought a pair of Soundcore headphones that I kept for years, and did not know it was part of Anker portfolio until doing research for this case study. That is a different brand conversation than USB cables, and it required a different brand to have it.



Screenshot from Soundcore.com

The Credibility of Physical Retail

Maybe the most underrated part of Anker's plan was its expansion into brick-and-mortar retail. Anker partnered with major retailers like Best Buy, Target, and Kohl's in North America. For an Amazon-native brand, this is more than just extra revenues. Physical retail placement is a strong signal to customers that can supercharge their online sales.

A product on a Best Buy shelf has passed a buyer's evaluation, met margin requirements, and is on the shelves next to established brands like Sony or Bose. For a consumer who has never encountered Anker online, that shelf presence gives the brand more credibility and could drive even more traffic to their online channels.

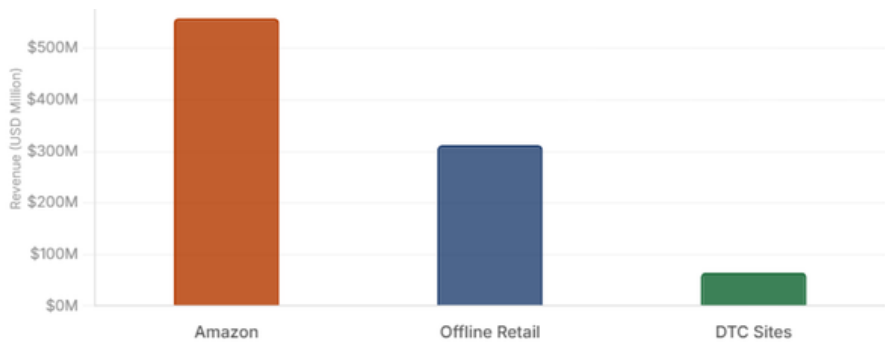
Building a DTC and Marketing Engines

Anker recently turned to Shopify Plus for their DTC channel. Thanks to their efforts listed above, they achieved 112% year-over-year website revenue growth between January and June 2023, with average order value and gross margin both increasing.

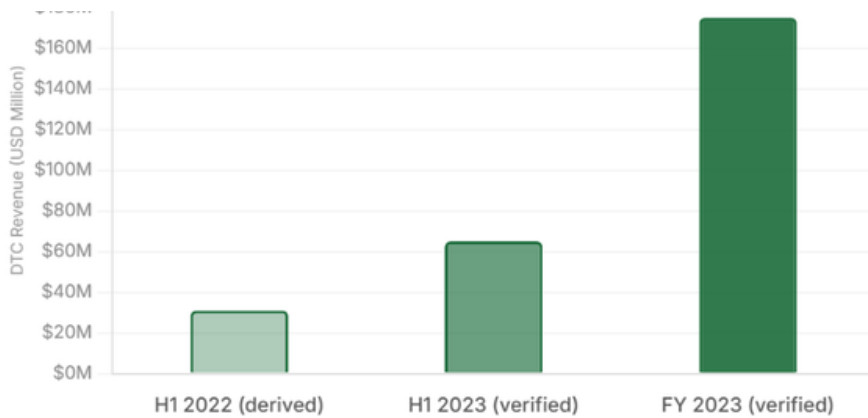
To drive traffic, the brand focuses on content and influencer marketing, working with content creators across lifestyle, music, and sports niches. Influencer partnerships are especially important for Soundcore, building brand awareness through detailed product reviews and personal recommendations.

Anker joined TikTok Shop in 2023, and hit \$10M GMV in less than a year. The brand was able to drive revenues in a content-based environment, and not just searched based.

The brand also takes advantage of every marketing asset, for example when Donald Trump was photographed using an Anker MagGo power bank during a livestreamed conversation with Elon Musk in August 2024.



Anker revenues per channel - First half of 2023. Little data is available on the breakdown per channel. Amazon was still #1 at the time.



DTC Site Revenue - H1 2022 figure derived from reported 112.6% growth rate. H1 2023 and FY 2023 are verified hard data from official financial reports. This shows a large increase in DTC sales

A brand that exists only as a collection of Amazon listings is powerless against a competitor who undercuts it by thirty percent. Brand equity is what gives a company a chance to charge a premium, survive a competitive landscape change, and expand into new categories without starting from zero every time.

Retail presence can add a solid layer of credibility

Anker products being on Best Buy shelves means they had evaluated the product and decided it was worth their floor space. This helps buyers who are not sure about buying an unfamiliar brand name. For a brand that grew up entirely online, retail is not just a revenue channel, it gives them a lot more credibility.

A brand portfolio requires strategy, not just expansion.

Anker did not simply add more and more products under their main brand, they created several other brands for specific categories. This allowed each brand to compete and be trusted in its category without diluting the parent.

The exit from dependency can be extremely difficult

Anker spent years and significant resources building the DTC infrastructure, retail relationships, and brand equity needed to reduce its Amazon dependency. Those investments were necessary, but they would have been cheaper and faster if done earlier. The longer brands wait, the more difficult it becomes to diversify away from 3P owned channels.

Review accumulation alone no longer builds a moat.

Anker's early competitive advantage was built on reviews at a time when reviews were fewer, and trusted. Today, review manipulation is a massive problem, review counts in mature categories run into the tens of thousands, and Amazon's own algorithm has changed to include more factors beyond review score. A brand that enters a category today hoping to replicate Anker's success with reviews will most likely fail.

Commoditization happens faster now.

Anker's repositioning into GaN charging and premium accessories protected them for years. But in 2026, product innovation cycles are shorter, Chinese manufacturers adopt new technologies faster, and commoditization happens faster in most industries. That is why most brands must understand that protection through innovation is becoming more challenging.

FINAL WORDS

As for other case studies, this document is independent analysis based only on publicly available information. I have no relationship with Anker, Amazon, or any of the brands or retailers mentioned. The conclusions here are my own, and other analysts working from the same data could reasonably reach different ones.

A mistake when reading Anker's story would be to focus on the early days, the 2011 Amazon launch, the fast growth, the billion-dollar outcome. That part of the story is the least useful for a brand today. The playbook that worked back then would not work in 2026.

The most valuable part of Anker's story is what came after the early Amazon success, and how the brand dealt with the problem they faced, including the commoditisation pressure, and the hard work of building brand equity.

The case studies of Anker and Native (case study #2) should be read together. One built DTC first and added Amazon as an extra channel. The other built Amazon first and spent years adding everything else. Both ended up becoming a successful multi-channel business. The idea that connects these two brands is that one platform is never the end goal, but part of the journey.